

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice LD-500

For: State and County Offices

Wool and Mohair Market Loss Assistance Program (WAMLAP) Spotchecks

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

WAMLAP applications are subject to spot check as provided in Notice LD-494.

B

Purpose

This notice provides procedure for:

- completing spotchecks
 - required documentation
 - COC action.
-

2 Spotcheck Procedure

A

Spotchecks

County Offices shall spot-check 5 percent, but no less than 1, of all approved CCC-1155's to ensure that the program is carried out according to approved policy and procedure. Use the following procedures to implement spotchecks.

- Select 1 out of every 20 wool and mohair producers approved for WAMLAP by COB Friday, February 28, 2001.
 - Inform each contact producer listed on CCC-1155 by telephone:
 - that a spotcheck is being completed
 - to provide support documents according to subparagraph B.
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Disposal Date

January 1, 2002

1-29-01

Distribution

State Offices; State Offices relay to County Offices

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2 Spotcheck Procedure (Continued)

B

Supporting Documentation

Inform the contact producer listed on CCC-1155 to provide, within 5 workdays, supporting documents that will verify the certified information on CCC-1155. Some of the supporting documents are listed below.

Marketed Wool and/or Mohair	<ul style="list-style-type: none">• name of buyer• date of sale• pounds of wool and/or mohair sold• canceled check• sales and purchase receipts• invoice
Wool and/or Mohair Stored On-Farm	<ul style="list-style-type: none">• location of the wool and/or mohair• number of bags stored on-farm• types of bags• weight receipts (if available)
Wool and/or Mohair Stored in a Warehouse	<ul style="list-style-type: none">• location of the wool and/or mohair• lot number• number of bags in storage• net weight
Other Supporting Documentation	<ul style="list-style-type: none">• measuring service• herd size evidence• farm records• Livestock Assistance Program records• Livestock Indemnity Program records• slaughter records• shearing records

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2 Spotcheck Procedure (Continued)

C

Reviewing Documentation

When the supporting documentation is received in the County Office:

- make a copy, date stamp copy, and return originals to the contact producer
- review supporting documents to verify:
 - that the wool and/or mohair were shorn during the 1999 marketing year
 - total pounds of wool and/or mohair shorn equal the pounds certified to on CCC-1155
- attach supporting documentation to CCC-1155.

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2 Spotcheck Procedure (Continued)

D Completing Reviews

Complete spotcheck reviews within 60 calendar days after selection of applications are made by February 28, 2001. This table explains the action necessary based on results of the review.

IF the review verifies the wool and/or mohair...	THEN...
<ul style="list-style-type: none"> were produced and shorn during the marketing period equals certified pounds were shorn in the United States 	no further action is necessary.
<p>were any of the following:</p> <ul style="list-style-type: none"> were not shorn during the marketing year does not equal certified pounds were not shorn in the United States 	the producer is not eligible for WAMLAP and the entire payment must be refunded.
<ul style="list-style-type: none"> documentation submitted raises concerns or questions about the wool and/or mohair producer's eligibility 	<p>COC must review and determine either of the following:</p> <ul style="list-style-type: none"> good faith misrepresentation, scheme, or device.

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2 Spotcheck Procedure (Continued)

E COC Determination

If COC:

- determines good faith, adjust payments in the automated price support system (APSS) accordingly
 - cannot determine good faith and determines that misrepresentation, scheme, or device occurred, the producer is not eligible for WAMLAP, and the entire WAMLAP payment must be refunded.
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F WAMLAP Refunds and Adjustments

For WAMLAP producers that must refund payments because WAMLAP has been determined out of compliance, interest will accrue at the CCC borrowing interest rate from the date of payment through the date the refund is received. Inform the producer of any amounts due according to 58-FI. If refunds are not paid by the due date, establish a claim according to 58-FI in the normal manner.

Refunds and corrections will be processed through APSS when software is available. State and County Offices will be notified in the future when the software is released.

3 Action

A County Office Action

County Offices shall:

- document results of the spotcheck on CCC-1155, Remarks Section
 - by April 27, 2001, notify State Offices of the spotcheck results as follows:
 - total number of CCC-1155's selected for spotcheck
 - total number of CCC-1155's with discrepancies only:
 - producer's name
 - discrepancy found
 - COC action
 - dollar amount of refund, as applicable.
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3 Action (Continued)

B

**State Office
Action**

State Offices shall:

- maintain a file of all spotcheck reports
 - send a memorandum summarizing the spotcheck results after the completion of the spotcheck procedure to PSD by FAX at 202-690-3307.
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